

The New Medicare Part D Prescription Drug Benefit

Introduction for Mental Health Professionals

Wisconsin Department of
Health and Family Services
Bureau of Mental Health and
substance Abuse Services

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What is the New Medicare Part D Prescription Drug Benefit?

- ✓ Medicare Part D is the new Medicare Drug benefit for Medicare eligibles.
- ✓ An estimated 880,000 people in Wisconsin are eligible.

When Does Medicare's Drug Benefit Begin?

- ✓ Medicare's new Drug Benefit begins January 1, 2006.

How much does a person pay for drugs under Medicare's Drug benefit?

It depends on the person's income, assets, program eligibility, and which Drug Plan they enroll in. See below for information.

1. "fully Dual" Eligible and SSI Eligible Individuals

Who qualifies

- ✓ Dual eligible individuals (eligible for both Medicare and Medicaid)
- ✓ Dual-eligible Medicaid Purchase Plan (MAPP) participants
- ✓ SSI eligibles (in Wisconsin)
- ✓ Spend-down (or Medicaid deductible) participants

Plan Enrollment for Dual/SSI Eligibles

- ✓ Dual/SSI eligibles are *automatically* enrolled in a *low-cost* Part D Drug Plan.
- ✓ Summer, 2005 the Centers for Medicare and Medicaid Services (CMS) notifies Medicaid eligibles that:
 - Their drug coverage under Medicaid switches to Medicare on January 1, 2006

- They will be automatically enrolled into a *low cost* Medicare Drug Plan.
 - Clients are notified which Plan they have been automatically enrolled into October, 2005.
- ✓ Dual/SSI clients may change Drug Plans November 15 to December 31, 2005 and monthly thereafter. Enroll directly with the preferred Plan. Chose a *low-cost* plan to minimize out-of-pocket costs.

Out-of-Pocket Costs for Dual/SSI Eligibles

- ✓ Individuals with income at/under 100% Federal Poverty Level (FPL) pay \$1 co-payment per generic and \$3 copay for brand-name drugs.
- ✓ Those with incomes over 100% FPL: \$2 copay generic/\$5 copay brand-name drugs
- ✓ Institutionalized individuals: No costs

Advocacy and Assistance for Dual/SSI Eligibles

The individual's clinic, case manager, advocates, and family members may:

- ✓ Assist Dual/SSI eligibles to compare the drug formulary (list of covered drugs) under their auto-enrolled Drug Plan with their needs.
- ✓ If one or more of the individual's medically

necessary drugs is not covered by their Part D Plan, then:

- Help them switch to a Plan that better meets their drug needs, OR
- Assist them to file for an “exception” to the Plan formulary, or appeal, based on “medical necessity”.

2. Medicare Savings Program (MSP) Eligible Individuals that are Not “fully” Dual Eligible

Who qualifies

- ✓ QMB, SLMB, and QI (these individuals receive direct payment by Medicaid of their Medicare co-payment and coinsurance amounts)

Plan Enrollment for MSP

Most of these individuals do not have currently have Medicaid drug coverage. If they do, they have “full” Medicaid benefits and should look to the previous section.

- ✓ They are not automatically enrolled in a Part D Drug Plan until after May 15, 2005.
- ✓ To obtain drug coverage starting January 1, they must select and enroll in a Part D Drug Plan by December 31, 2005.
- ✓ If they do not enroll themselves in a Part D Drug Plan before May 15,

2006, they will be automatically enrolled.

Out-of-Pocket Costs for MSP Eligibles

- ✓ Individuals with incomes at or under \$100% of the Federal Poverty Level (FPL) (about \$1,077/month for a single person) pay \$1 copay generic and \$3 co-pay per brand-name drug
- ✓ Those with incomes over 100% FPL (about \$1,077 for a single person) pay \$2 copay generic and \$5 copay per brand-name drug

Advocacy and Assistance for MSP Eligibles

Role of the individual’s physician, advocates, family members, case managers:

- ✓ Assist these persons to compare the Drug Plan formularies to their current and anticipated needs
- ✓ Assist them to enroll directly in the best available Part D Plan before December 31, 2005, to ensure drug coverage effective Jan 1.
- ✓ If one or more of the individual’s medically necessary drugs is not covered by their selected Plan, then assist the client to switch plans or file for an “exception” to the drug Plan formulary, or appeal, based on “medical necessity”.

3 “Extra Help” for Medicare Eligibles with Low Income/Assets:

Who qualifies

In addition to automatic subsidies for Dual and MSP eligibles, there are two “extra help” subsidy levels for other Medicare eligibles with low income and assets:

- ✓ Medicare eligibles with incomes between 100%-135% of the Federal Poverty Level (FPL) (about \$1,077/month), assets not exceeding \$7,500 for a single person, and
- ✓ Medicare eligibles with incomes between 135% to 150% of the FPL (about \$1,475/month) and assets not exceeding \$11,500 for a single person

Applying for “Extra Help” Subsidies

Low-income individuals need to apply for the “extra help” subsidy from their local Social Security Administration (SSA) office.

Drug Plan Enrollment

Individuals eligible for “extra help” subsidies must enroll

themselves in a Part D Drug Plan during the first “open enrollment” period, November 15, 2005 to May 15, 2006.

Out-of-Pocket Costs for “Extra Help” Medicare Eligibles

- ✓ Individuals with incomes 100% to 135% FPL (about \$1,077/month for a single person) pay:
 - \$2 copay for generic drugs
 - \$5 copay for brand-name drugs.
- ✓ Individuals with incomes 135% to 150% FPL (about \$1,475/month for a single person) pay:
 - Premiums - sliding scale up to \$37 per month
 - Deductibles - \$50 annual
 - Coinsurance - 5% of Plan charges per drug

Advocacy and Assistance for “Extra Help” Eligibles

The individual’s physician, advocates, family members, case managers, and others, may:

- ✓ Assist the individual to apply for “extra help” through their local SSA office
- ✓ When Drug Plans are announced, then:
 - Compare costs for each Plan
 - Compare Plan formularies to the individuals’ drug needs
 - For immediate drug coverage, assist the individual to enroll in the best

available Plan November 15, 2005 to December 31, 2005 .
- If one or more of the individual’s medically necessary drugs is not covered by the selected Plan, then assist the individual to switch Plans, file for an “exception” to the Plan formulary, or appeal, based on “medical necessity”.

4 “Standard Plans”

Who qualifies

Medicare eligible individuals

Plan Enrollment for Standard Plan Eligibles

- ✓ Enroll directly with the Drug Plan of choice during the first “open enrollment” period November 15 2005-May 15, 2006.
- ✓ For those enrolling after May 15, 2006, Plans may charge increased premiums unless the individual has drug coverage equal to Part D (e.g. from a retiree plan or employer) immediately before enrolling in Part D. Note: Medigap policies do not count.

Out-of-Pocket Costs for Standard Plans

- ✓ Premiums: \$37/month (average)
- ✓ Deductible: \$250 annual

- ✓ Coinsurance: 25% of drug costs between the first \$250-\$2,250 of costs
- ✓ “Donut Hole”: enrollee pays all drug and Plan costs from \$2,250 to \$5,100.
- ✓ After \$5,100, enrollee pays “catastrophic” rates:
 - 5% of drug costs, or
 - \$2 generic/\$5 brand-name co-payment per drug.

Formularies for Mental Health Drugs

Covered Drugs:

Part D Drug Plans are required to cover “substantially all” mental health drugs, including psychotics and anti-depressants.

- ✓ Non-Covered Drugs:
 - Benzodiazepines
 - Barbiturates
 - Drugs for anorexia, weight loss or gain
 - Prescription vitamins and minerals, non-prescription drugs, and others
- ✓ Drugs that may be “left off” Part D Drug Plan formularies:
 - Either escitalopram or citalopram (but not both)
 - “Multi-source brands of the identical molecular structure”

- Extended release drugs
 - Varied drug dosage amounts.
- ✓ For dual eligibles, Wisconsin Medicaid continues to cover certain drugs that are not covered by Part D Plans.

Drug Plan Facts to Date

- ✓ October, 2005, participating Part D Drug Plans are announced. Plans announce their:
 - Drug formularies (list of covered drugs).
 - Rate structures
- ✓ Many Plans are statewide
- ✓ Pharmacies must join a specific Plan's provider network to participate.
- ✓ Clinics, physicians, family members and advocates may interface with multiple Plans, and the specific pharmacies included within each Plan's network, depending on which Plans their clients enroll into.

Some Key Timelines

May 15-August 2005

The Social Security Administration (SSA) sends 100,000 low-income Medicare recipients in Wisconsin an application for "Extra Help" subsidies

Counties, advocacy groups, others are urged to request presentations on the

"extra help" application process from their local SSA office.

Summer, 2005

The Centers for Medicare and Medicaid Services (CMS) mails approximately 110,000 "dual eligibles" in Wisconsin notice about upcoming changes in their drug coverage.

August 2005

Early applicants for "Extra Help" subsidies are notified if they are eligible for subsidies.

Fall 2005

Dual/SSI eligibles are randomly enrolled into a Drug Plan and notified which Plan they are enrolled in.

- ✓ Participating Part D Plans are announced
- ✓ Plans announce their:
 - Drug formularies (list of covered drugs).
 - Rate structures
 - Networks of participating pharmacies

Fall-Winter, 2005

Marketing by Drug Plans

November-December 31, 2005

Dual/SSI eligibles may switch Plans if their auto-enrolled Plan does not meet their needs

November 15, 2005 to May 15, 2006

"Open Enrollment" period: all Medicare eligibles may enroll in a Part D Plan.

December 31, 2005

Dual/SSI, MSP and MAPP eligibles automatically lose drug coverage under Wisconsin Medicaid.

January, 1 2006

Part D drug coverage begins for all Medicare eligibles enrolled in a Part D Drug Plan before December 31, 2005.

Information and Assistance

Disability Benefit Specialists
Helpline for individuals with mental health and other disabilities who are age 60 years and under
1-800-926-4862

Wisconsin Coalition for Advocacy's Disability Drug Benefit Helpline

- ✓ Helpline for clients with disabilities including mental illness: 1-800-926-4862
- ✓ Website: <http://www.w-ca.org/pages/partd.html>

Coalition of Wisconsin Aging Groups for clients 60+ years old:

- ✓ Helpline 1-866-456-8211
- ✓ Website www.wismedrx.org
- ✓ Elderly Benefit Specialist Program <http://dhfs.wisconsin.gov/aging/Genage/BENSPECS.HTM>

Medigap Helpline

Counseling on Medigap, HIRSP, and employer-based insurance for active and retired workers: 1-800-242-1060
1-800-242-1060

Centers for Medicare and Medicaid Services (CMS)

- ✓ Workshops for trainers and professionals
- ✓ Website: <http://www.cms.hhs.gov/medicarereform/>
- ✓ Direct mailings to Part D Medicare eligibles
- ✓ "Medicare and You" Handbook mailed to all Medicare eligibles October, 2005, includes information on Medicare's Drug Plan.

Social Security Administration

"Extra Help" subsidy application process for low-income Medicare eligible:

- ✓ Outreach and direct mailings to low income Medicare eligibles
- ✓ Training for advocates in the "extra help" application process
- ✓ To arrange training for agencies/advocates on how to assist individuals to apply for "extra help" subsidies, contact a local SSA office: <http://www.ssa.gov/chicago/wisconsin.htm>

Employment Resources

Incorporated (ERI)

Assistance for working people with disabilities <http://www.eri-wi.org/successStories.php>

*** HEC screeners can help with plan selection counseling.

Other Medicare Part D Drug Plan Information and Resources on the Web (follow links to Part D):

- ✓ Kaiser Family Foundation <http://www.kaiseredu.org/>
- ✓ Center for Medicare Advocacy <http://www.medicareadvocacy.org/>

- ✓ Medicare Rights Center <http://www.medicarerights.org/>

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